

Productivity Commission Submission - Remote Area Tax Concessions and Payments

Submission to: Remote Area Tax Concessions and Payments Review 29 April 2019

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For over seven years now I have been living in the more remote areas of northern and north western Queensland. These areas include Bamaga, Julia Creek, Aramac, Longreach and now Burketown. Whilst living in these areas can be considered as a “choice”, it has been for work and to assist in still maintaining a family, mortgage and all those other necessities of life.

I do believe there needs to be a realistic recognition that living in the more remote areas of the country does require a serious review of its cost not only for those of us presently living in the areas, but to also promote others to move and live in the regions. Assistance with either in the up front costs impacts or as this study drives - at the end of the tax year, will be most beneficial in assisting remote communities, families and workers.

In making a submission to the Remote Area Tax Concessions and Payments, I offer the following details regarding the issues associated with the cost of living and living in general in these communities.

1. Distance to major centres – the travel distance to major centres (Cloncurry and Mount Isa) from Burketown is 4.5-6.5 hours dependant of the desire to travel of at best very rough gravel road. Many of which are unfenced and subject to wildlife and live stock as an ongoing hazard. The key issue of these communities is the isolation in the wet season where one can be cut off by road for extended periods.
2. Fuel – At the present moment we pay about \$1.88 per litre for diesel – whilst in Cloncurry some 4.5 hours is \$1.50 per litre. These are similar related costs to Julia Creek, Bamaga and Aramac.
3. Groceries – A recent assessment of cost for groceries proved the following in relevant cost comparison between Burketown, Cloncurry and Mount Isa. For every \$100 of groceries (generally home brand or similar) you can purchase;
 - a. About \$200 plus at Mount Isa and
 - b. About \$180 Plus at Cloncurry

Whilst the “shop” at Burketown is not large it does carry the basics and does form an important part of the community and provide a very valuable service.

There are opportunities for “click and collect” and order on line from Mount Isa and Cairns – this also comes at a cost and is also impact by fright charges.

4. Procurement of goods on line – Being considered as a “Remote” location the cost of freight for items purchased on line is just over double of normal freight. This is from companies such as BCF, Supercheap etc etc.
5. General freight – Whilst we are well services by a number of freight companies and they do an excellent job this does come at both a cost and time factor – a general waiting

period of 1-2 weeks is not uncommon and the companies also are subject to road and climatic conditions.

6. Travel by Air – Whilst the cost of air travel is subsidised it is still relatively expensive. For example the cost of travel from Mount Isa to Burketown is over \$300 for a travel distance of just over 300 Km. As a comparison the travel distance between Cairns and Melbourne is slightly cheaper at a distance of just over 2,300 Km.
7. Freight by Air – A simple and small parcel freighted from either Cairns and Mount Isa costs \$38-40 or so - .
8. Tax Rates – Whilst I am on generally a higher level tax bracket, both the cost of living and isolation impacts makes it, at best, marginal as a benefit.

I would be most interested in making a face to face presentation to the review

Geoff Rintoul